

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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INTERPOOL, INC., d/b/a TRAC INTERMODAL, : Case No. 2:22-cv-1103

Plaintiff, :
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-against- :
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JJS TRANSPORTATION & DISTRIBUTION CO., INC., :
-----x

Defendant. :
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COMPLAINT

Plaintiff Interpool, Inc., doing business as TRAC Intermodal (“TRAC” or “Plaintiff”), for its Complaint against Defendant JJS Transportation & Distribution Co., Inc. (“JJS” or “Defendant”), alleges as follows:

Nature of the Claim

1. This is an action for breach of contract. Plaintiff TRAC is a lessor of chassis used in the shipping industry for the transportation of shipping containers over the road. Defendant JJS is a trucking company that is a lessee of TRAC’s chassis pursuant to a written contract between the parties. Since September 2021, JJS has utilized large quantities of TRAC’s equipment and has incurred over \$1 million in agreed-upon daily (“per diem”) rental charges for the use of TRAC’s equipment, but has failed to pay TRAC any of the amount that is rightfully due to TRAC. Accordingly, Plaintiff brings this action against Defendant (a) to recover the amounts that are due TRAC; (b) for the costs of this collection action, including attorney’s fees, as provided in the parties’ contract; and (c) for a permanent injunction (i) requiring JJS to return all of TRAC’s

equipment that is currently in its possession; as well as (ii) prohibiting JJS from utilizing or attempting to utilize TRAC's equipment in the future.

Parties, Jurisdiction, and Venue

2. Interpool, Inc., which conducts its chassis business under the trade name of TRAC Intermodal and is the Plaintiff in this action, is a corporation organized under the laws of Delaware with its principal place of business in the State of New Jersey, specifically at 750 College Road East, Princeton, New Jersey 08540. Plaintiff is engaged in the business of leasing chassis. A chassis is essentially a sturdy metal frame with wheels and brakes, designed to support and carry an intermodal shipping container (usually 20 or 40 feet long) over the road when the chassis/container assembly is connected to and pulled by a tractor. These chassis are typically leased by trucking companies that transport shipping containers between terminals and the various factories, warehouses, retail stores and other businesses that utilize the contents of the containers, or that wish to return or relocate empty containers.

3. JJS, the Defendant herein, is a corporation organized under the laws of the State of New York with its principal place of business in the State of New York, specifically in this District at 24 Locust Street, Manhasset, New York 11030, in the County of Nassau. According to its website, JJS also conducts business from a location in Valley Stream, New York. JJS offers and/or provides trucking, warehousing, and distribution services to its customers in the Tri-State area of New York, New Jersey and Connecticut, as well as in Pennsylvania. Since September 2021, JJS has been leasing chassis from TRAC in order to provide those services to its customers.

4. This Court has jurisdiction of this action pursuant to 28 U.S.C. §1332(a)(1), since this is an action between citizens of different states, in which the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

5. Venue is proper in this District pursuant to 28 U.S.C. §1331(b)(1-2) and (c)(2), since Defendant resides in this District where it is subject to this Court's personal jurisdiction with respect to this action, and a substantial portion of the events giving rise to this claim occurred in this District.

Statement of Facts

6. On or about September 23, 2021, Plaintiff TRAC, as lessor, and Defendant JJS, as a motor carrier lessee, entered into a binding contract entitled "Equipment Interchange Agreement for Marine Chassis Pools" ("the Equipment Agreement"). A copy of the Equipment Agreement is attached hereto as Exhibit A.

7. Pursuant to the Equipment Agreement, TRAC gave JJS access to TRAC chassis located at numerous "chassis pool" locations where TRAC and other lessors of equipment make chassis available to trucking companies on a per diem basis. These chassis pools are equipped with electronic gating controls that keep track of which customers take out (or return) which lessor's chassis, and when they do so. Customers are billed in accordance with the terms and conditions to which they have agreed with the applicable lessor, to the extent of their actual usage of that lessor's chassis. The chassis pool system is very efficient, but is subject to abuse by customers who do not pay their bills in a timely manner.

8. Between the inception of the Equipment Agreement in September 2021, through February 2022, Defendant JJS maintained two accounts with TRAC, in which JJS incurred very substantial charges because of its heavy use of TRAC's chassis that JJS took from various chassis pool locations. However, JJS made only small, partial payments to TRAC against its monthly invoices. As of the February 2022 statements, JJS has incurred unpaid charges totaling \$1,040,376.75 for the use of TRAC's equipment in its two accounts. TRAC has issued written

invoices and statements detailing these charges which JJS has failed to pay, despite repeated demand by TRAC and despite promises by JJS that payment would be forthcoming. Accordingly, JJS is in default of its contractual obligations to TRAC.

9. Upon information and belief, some of TRAC's equipment has been damaged while being used or in the possession of JJS. Pursuant to the Equipment Agreement, JJS is liable to TRAC for all such damage.

10. TRAC has also demanded the immediate return of all TRAC equipment in the possession of JJS, and further has directed JJS to cease and desist from taking or using any additional TRAC equipment. JJS has not complied with TRAC's demands.

**First Cause of Action For
Breach of Contract**

11. Plaintiff repeats and realleges each and every allegation set forth in Paragraphs 1 through 10 above as if fully set forth herein.

12. By reason of the above-described breach of contract by JJS, TRAC has incurred damages in the amount of at least \$1,040,376.75, the precise amount to be proven at trial or by motion for summary judgment.

13. TRAC continues to incur damages in the form of (a) ongoing, unpaid usage of its equipment by JJS; (b) JJS's continuing on-hiring of equipment belonging to TRAC from the various chassis pools to which it has access; and (c) the infliction of damage to TRAC's equipment for which JJS has failed to pay TRAC, in breach of the Equipment Agreement.

Prayer for Relief

WHEREFORE, Plaintiff Interpool, Inc., d/b/a TRAC Intermodal demands judgment against Defendant JJS Transportation and Distribution Co., Inc., as follows:

- i. For damages in the amount of at least \$1,040,376.75 million, the precise amount to be proven at trial or by motion for summary judgment;
- ii. Enjoining and permanently restraining Defendant from taking possession of any TRAC equipment;
- iii. Directing Defendant to return all TRAC equipment in its possession or control;
- iv. Awarding Plaintiff pre-judgment and post-judgment interest;
- v. Awarding Plaintiff its costs of collection pursuant to the Equipment Agreement, including its attorneys' fees, costs and disbursements of this lawsuit; and
- vi. For such other and further relief as may be just and proper.

Dated: New York, New York
March 1, 2022

LLOYD S. CLAREMAN

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